

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 AGR-10 ITC-01

/073 W

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R 231731Z AUG 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 1739

INFO AMEMBASSY PARIS

USDEL MTN GENEVA

UNCLAS EC BRUSSELS 08203

E.O. 11652: N/A

TAGS: ETRD, EAGR, FR, EEC

SUBJECT: POULTRY/COGNAC

EUROPEAN REPORT OF AUGUST 21 CONTAINED FOLLOWING STORY:

BEGIN TEXT "CHICKEN WAR: REPERCUSSIONS OF US MOVE

(BRUSSELS, WEDNESDAY AUGUST 18, 1976) - THE UNITED STATES

ARE (SIC) SCHEDULED TO START PUBLIC HEARINGS ON SEPTEMBER 20 TO

DECIDE WHETHER OR NOT TO DISCONTINUE THE PARTIAL NORMALIZATION

OF DUTIES ON COGNAC IMPORTS, TO COUNTER THE EEC'S DECISION TO

MAINTAIN ITS IMPORT RESTRICTIONS ON POULTRY IMPORTED FROM THE

US (SEE EUROPEAN REPORT, NO. 347 FOR FURTHER DETAILS). IN

FRENCH INDUSTRIAL CIRCLES, THE US INITIATIVE IS SEEN AS PLAINLY

OUT OF PROPORTION, SINCE A LOOK AT THE RELEVANT FIGURES IS

ENOUGHT TO INDICATE THAT THE US MEASURES, IF TAKEN, WILL AFFECT

A CONSIDERABLE CHUNK OF THE FRENCH COGNAC TRADE (THERE SEEMS

LITTLE DOUBT THAT THE US MOVE IS SPECIFICALLY AIMED AT FRANCE),

WHEREAS CORRESPONDING FIGURES PLAINLY POINT TO THE FACT THAT

US POULTRY EXPORTS TO EUROPE, DESPITE THE EEC RESTRIC-

TIONS JUDGED SO "UNREASONABLE" BY THE AMERICANS, HAVE

INCREASED CONSTANTLY SINCE THE BEGINNING OF THE YEAR.

IT SHOULD BE POINTED OUT THAT NO CHANGE IN TAXATION

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WILL BE MADE FOR IMPORTS OF COGNAC OF A VALUE EXCEEDING

17 DOLLARS/GALLON. COGNAC OF A VALUE OF 9-17 DOLLARS/GALLON, ON THE OTHER HAND, WOULD NO LONGER BENEFIT FROM NORMALIZATION OF DUTIES. CLEARLY, FRANCE IS AND REMAINS THE COMMUNITY'S LEADING EXPORTER OF COGNAC TO THE US (IN 1975, FRANCE EXPORTED 1,421,788 GALLONS OF \$17 PLUS A GALLON COGNAC OUT OF A TOTAL OF 1,433,161 GALLONS IMPORTED BY THE US). IN THE SAME YEAR, FRANCE IS THOUGHT TO HAVE EXPORTED 1,071,752 GALLONS OF CAGNAC TO THE US VALUED AT BETWEEN 9-17 DOLLARS/GALLON. FRENCH BUSINESSMEN POINT OUT THAT AT AN AVERAGE PRICE OF 16 DOLLARS/GALLON, THE VOLUME OF TRADE CONCERNED AMOUNTS TO 17,148,032 DOLLARS AND THAT, IF THE UNIT DUTY RATE WERE TO BE INCREASED FROM 1.25 DOLLAR TO 5 DOLLARS, THE IMPORT TAX BURDEN WOULD AMOUNT TO 4,019,070 DOLLARS.

MOREOVER, ACCORDING TO FIGURES ESTABLISHED BY THE US FOREIGN AGRICULTURAL TRADE DEPARTMENT, US TURKEY EXPORTS TO CERTAIN EEC COUNTRIES ARE INCREASING REGULARLY.

US TURKEY EXPORTS (IN MILLIONS OF POUNDS)

	JULY 1974 TO APRIL 1975	JULY 1975 TO APRIL 1976	PCT. INCREASE
FEDERAL REPUBLIC	14 589	24 088	65.1
UNITED KINGDOM	2 069	6 027	191.3
ITALY	1 953	4 430	126.8
TOTAL	18 591	34 545	85.2

IN TERMS OF VALUE, TOTAL USE EXPORTS AMOUNTED TO 25.1 MILLION DOLLARS IN 1975/76 COMPARED TO ONLY 12 MILLION DOLLARS IN 1974/75, REPRESENTING A 109.9 PCT. INCREASE.  
(EUROPEAN REPORT) END TEXT HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POULTRY, PRESS COMMENTS, CUSTOMS DUTIES, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU08203  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760322-0205  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760830/aaaaazil.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morandr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 FEB 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 FEB 2004 by ReddocGW>; APPROVED <27 JAN 2005 by morandr>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POULTRY/COGNAC EUROPEAN REPORT OF AUGUST 21 CONTAINED FOLLOWING STORY: BEGIN TEXT "CHICKEN WAR: REPERCUSSIONS OF US MOVE  
**TAGS:** ETRD, EAGR, FR, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006